



SOCIETE DES PRODUITS NESTLE S.A.,
Opposer,

-versus-

SAN MIGUEL CORPORATION,
Respondent-Applicant.

X-----X

} **IPC No. 14-2009-00022**
} Opposition to:
} Appln. Serial No. 4-2008-002441
} Date filed: March 03, 2008
} TM: "**SAN MIG COFFEE**
} **2-IN-1 STRONG**
} **LABEL DESIGN**"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2012 – 214 dated October 29, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 29, 2012.

For the Director:

Atty. PAUSI U. SAPAK
Hearing Officer
Bureau of Legal Affairs



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Decision No. 2012- 214

DECISION

SOCIETE DES PRODUITS NESTLE S.A. ("Opposer")¹ filed on 19 January 2009 an opposition to Trademark Application Serial No. 4-2008-002441. The application, filed by SAN MIGUEL CORPORATION ("Respondent-Applicant")², covers the mark "SAN MIG COFFEE 2-IN-1 STRONG LABEL DESIGN", for use on "*coffee*" under Class 30 of the International Classification of goods³.

The Opposer alleges that it is the first to adopt, use and file an application for registration in the Philippines of the "MUG DEVICE" or MUG, RED mark for several goods among which is coffee, and therefore enjoys under Sec. 147 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), the right to exclude others from registering or using an identical or confusingly similar mark such as the Respondent-Applicant's. According to the Opposer, its mark is well-known internationally and in the Philippines, hence, the Respondent-Applicant's mark cannot be registered in this country, especially for identical and similar goods pursuant to the express provision of Sec. 123(e) of the IP Code. It also contends that SAN MIG COFFEE 2-IN-1 STRONG LABEL DESIGN is confusingly similar to the MUG DEVICE or MUG, RED mark, and that the Respondent-Applicant violated their Agreement of 29 April 2005 wherein the latter expressly recognized the Opposer's and licensee's rights in MUG DEVICE.

To support its opposition, the Opposer submitted as evidence Trademark Application Form re: Application No. 4-2003-0004210 showing the mark MUG DEVICE, Declaration of Use filed in the Bureau of Trademarks on 12 May 2006 for the mark MUG DEVICE, video and power point presentation on advertisements (compiled in "CD-ROM"), printout copy of the pertinent page of "*Business Week*" as downloaded from the internet, printout of opposed application as published in the "*E-Gazette*", copy the parties' Agreement of 29 April 2005, affidavits of Mabini L. Antonio and Giselle Fatima Tiong Dee and the annexes thereto, and authenticated certificates of registration in several countries.⁴

¹ A corporation duly formed under the laws of Switzerland, with business address at Vevey, Switzerland.

² With address at No. 40 San Miguel Avenue, Mandaluyong City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

⁴Marked as Exhibits "A" to "P", inclusive.

This Bureau received the Respondent-Applicant's Answer on 21 July 2009. The Respondent-Applicant alleges that its mark is not confusingly similar to the Opposer's reasoning out that the marks are visually, phonetically, aurally, and conceptually different from each other as consistently ruled by this Bureau in cases involving the same parties and substantially the same marks. According to the Respondent-Applicant, a picture of a mug, more so filled with coffee is descriptive of coffee goods. It also contends that the Opposer's mark is not well-known, and that it did not violate the parties' Agreement of 29 April 2005.

The Respondent-Applicant's evidence consists of copies of documents relating to its product penetration, affidavit of Majalla S. Baun, advertisement and promotional materials, samples product packaging, various articles and publications, TV commercials (in CD ROMs), decisions in related Inter Partes Case (Nos. 14-2007-00023, 14-2007-00022, 14-2007-00020, and 14-2007-00021), copies of printouts of trademark application particulars for SAN MIG COFFEE marks (Nos. 4-2005-005234 and 4-2005-005239).⁵

On 30 July 2009, the Opposer filed its REPLY, submitting a CD containing a video to show that *"the mug device and/or the mug with coffee beans is a source indicator for Opposer's coffee products having been imbued with secondary meaning, which consumers readily recognize"*.⁶ It also attached to the REPLY pages 12 and 13 of the 15 June 1998 Quarterly Supplement of the *"Nestle Family Balita"*.⁷

The Respondent-Applicant, on the other hand, filed on 10 August 2009 a REJOINDER. After terminating the preliminary conference, the Hearing Officer issued Order No. 2010-010 directing the parties to file position papers. The parties filed their respective position papers on 25 January 2010.

The issues pertaining to this case are similar to those already passed upon by this Bureau in Inter Partes Case Nos. 14-2007-00022 and 14-2007-00023. The Bureau's decisions on these cases were appealed to the Director General. In turn, the Director General dismissed the appeals, to wit:

"This Office agrees with the Director that the competing marks are not confusingly similar. The terms 'San Mig' and the 'double leaf' device above the letter 'i' draw the attention of the Appellee's mark which can be readily recognized by any person seeing this mark. The Appellee's mark also has the word 'Original' and a picture of a cup/mug of coffee. These features of the Appellee's mark characterize the distinctness of this mark and differentiate it from those of the Appellant's marks. Moreover, a review of the Appellee's application reveals that the other features of the Appellee's mark like the words 'coffee' and 'original' and the picture of a mug filled with coffee were disclaimed.

"On the other hand, the prevalent feature in the MUG DEVICE of the Appellant is the picture of the red mug itself which is not found in the Appellee's mark. Similarly, in the mark NESCAFE with MUG DEVICE ON JAR, the word 'NESCAFE' easily distinguishes the Appellant's mark from that of the Appellee's.

"Thus, it is unlikely that consumers would be deceived or be confused that the mark of the Appellee belongs to the Appellant, or vice-versa. As correctly observed by the Director:

The words "SAN MIG" and "NESCAFE" are printed prominently on both labels of the contending marks which easily attract and catch the eyes of an ordinary consumer and these words and none other stick in his mind when he thinks of coffee, thus, ruling out the likelihood of confusion or similarity in the mind of the purchasing public. Moreover, the Opposer has

⁵Marked as Exhibits "1" to "6", inclusive.

⁶Marked as Exhibit "Q".

⁷Marked as Exhibit "R" (Annex "C" to the Affidavit of Giselle Fatima Tiong Dee).

not established such a substantial similarity between the two trademarks in question as to warrant the opposition of the trademark of the Respondent-Applicant. Even the mug designs accompanying both marks are different in presentation. The "mug" device contained in the Respondent-Applicant's mark is white in color, filled with coffee but only half of the mug is shown with the word "ORIGINAL" written on the mug, while the mug device contained in the Opposer's mark is the whole cup with handle, likewise filled with coffee but the color of the mug is red.'

'With respect to the Appellant's claim that its marks are well-known, this is now immaterial to this case. The protection accorded to well-known marks applies only if there is a finding of confusing similarity between competing marks. Moreover, there is merit to the point raised by the appellee that:

'Based on the exhibits of Opposer-Appellants, the "MUG DEVICE" element is always combined with the word "NESCAFE" and/or surrounded by coffee beans. Hence, contrary to Opposer-Appellant's contention, the "MUG DEVICE" mark alone, cannot be claimed to be exclusively owned by Opposer-Appellant since it is insufficient, as an isolated element, to identify Opposer-Appellant's goods.

'The alleged study conducted by AC Nielsen Homepanel, as well as the alleged ranking of Opposer-Appellant in the business Week also show that it is the brand "NESCAFE" that is [the] dominant part of its labels and is the most remembered by the consumers, as opposed to "MUG DEVICE" per se.'

'Regarding the alleged violation by the Appellee of its agreement with the Appellant not to adopt, either through filing or registration, identical and/or similar marks to MUG DEVICE, this is irrelevant to the determination of whether SAN MIG COFFEE & DESIGN can be registered in favor of the Appellee. Nevertheless, the provision of the agreement cited by the appellant refers to the commitment of the Appellee not to file or register a mark identical or confusingly similar with the Appellant's mark. With the determination of the lack of confusing similarity between the appellant's and the Appellee's marks, the Appellant's position has no leg to stand on.'

Accordingly, this Bureau finds no cogent reason to rule otherwise in this case. The terms "San Mig", "2 in 1", "Strong", and the "double leaf" device above the letter "i" render the Respondent-Applicant's mark a clear and unmistakable distinction from the Opposer's. Also, even if the color of the mug in the Respondent-Applicant's mark is red-orange, the hue is still distinguishable from the red color of the Opposer's MUG DEVICE.

WHEREFORE, premises considered, the instant opposition is hereby dismissed. Let the filewrapper of Trademark Application Serial No. 4-2008-002441 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. 29 October 2012.


ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs

⁸ Director General's Decision on Appeal No. 14-09-02 (IPC No. 14-2007-23), pp. 6-7. See also the Director General's Decision in Appeal No. 14-09-23 (IPC No. 14-2007-22).